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Report of the Task Force on Finance Statistics

Note by the Secretary-General

In accordance with a request of the Statistical Commission at its thirty-third session,** the Secretary-General has the honour to transmit the report of the Task Force on Finance Statistics (chair: International Monetary Fund). The Commission may wish to review the activities of the Task Force.

* E/CN.3/2003/1.

** See *Official Records of the Economic and Social Council, 2002, Supplement No. 4* (E/2002/24), para. 1.

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Report of the Task Force on Finance Statistics

1. The Task Force on Finance Statistics, which was established in 1992, was reconvened in 1998 to coordinate work to improve the methodological soundness, transparency, timeliness and availability of data on external debt and international reserves.[1]

2. The need for comprehensive, comparable and reliable information on external debt to inform policy makers, financial markets and other users of statistics has long been recognized. That need was reinforced by the international financial crises in the 1990s.

3. In 1998, the Task Force launched two important initiatives to improve access to and understanding of data on external debt. First, beginning in March 1999 a new series of quarterly releases of statistics on external debt for 176 developing and transition countries was jointly disseminated by the Bank for International Settlements (BIS), the International Monetary Fund (IMF), the Organisation for Economic Cooperation and Development (OECD) and the World Bank. Those statistics — joint BIS-IMF-OECD-World Bank statistics on external debt — brought together for the first time the best and most timely available internationally comparable data on components of external debt from creditor and market sources.[2] Supplementary data are shown on international reserves.

4. Second, to aid the task of improving national source data, the Task Force began work on the publication *External Debt Statistics: Guide for Compilers and Users*. The *Guide*, which updates a 1988 inter-agency publication,[3] provides guidance on the concepts, definitions and classifications of external debt data, the sources and techniques for compiling those data and their analytical uses. It informs readers on the work of international agencies in the field. It also aids countries in their preparations to meet the data dissemination requirements of the IMF data standards initiatives — the Special Data Dissemination Standard and the General Data Dissemination System. The *Guide* is intended to be of use to both compilers and users of external debt statistics.

5 The conceptual framework used in the *Guide* is derived from the *System of National Accounts 1993* (1993 *SNA*) and the fifth edition of the IMF *Balance of Payments Manual* (*BPM5*), also issued in 1993. The gross external debt position is presented in two types of tables: one focuses on all resident institutional sectors, as presented in the international investment position in BPM5; the other focuses on the role of the public sector. The *Guide* goes beyond the 1993 *SNA* and BPM5 frameworks in specifying measurement concepts and providing tables for the presentation of analytical external debt data series, including series on a remaining maturity basis, by currency of denomination, and in the form of a debt-service payment schedule.

6. The appendices in the *Guide* provide glossaries of terms and financial instruments, and cover the relationship between the international investment position, balance-of-payments transactions and national accounts, among others.

7. In November 2001, the Task Force completed its work on the *Guide* and in December 2001 a final draft in English was posted on the IMF external web site at: http://www.imf.org/external/np/sta/ed/guide.htm. IMF is editing the *Guide* and

expects to publish it towards the end of 2002. It is also being translated into Arabic, Chinese, French, Russian and Spanish.

8. In conjunction with the work on the *Guide* and with funding from the Government of Japan (under the Administered Account for Selected Fund Activities) and the Assistance of the other agencies represented on the Task Force, IMF organized a series of regional seminars to raise awareness of the data-dissemination requirements for external debt data under the IMF data standards initiatives and to discuss various initiatives for improving the quality of national external debt data. In February 2002, the last of seven regional seminars to introduce the new *Guide* was completed (see table).

Regional seminars on external debt statistics

Venue	*Dates*	*Number of participants*
Singapore (IMF-Singapore Regional Training Institute)	21-24 March 2000	29
Austria (Joint Vienna Institute)	28 August-1 September 2000	27
Mexico (Center for Latin American Monetary Studies)	5-9 March 2001	42
South Africa (South African Reserve Bank)	7-11 May 2001	39
United States of America (International Monetary Fund)	24 May 2001	12
Germany (European Central Bank)	31 May-1 June 2001	31
Bahrain (Bahrain Monetary Agency)	10-14 February 2002	27

9. The target audience for the introductory seminars has been the managers and senior external debt compilers in the countries subscribing to the Special Data Dissemination Standard. There were more than 200 participants at the seminars, and those that participated in the early seminars provided comments on the early drafts of the *Guide*. The participants were predominantly from central banks and finance ministries/departments but also from national statistical offices and national debt offices.

10. In May 2002, the first of a new series of IMF regional training seminars in external debt statistics was offered at the Joint Vienna Institute. In total, 30 external debt compilers from 21 countries in Eastern Europe and Asia attended the seminar. The two-week seminar — directed at mid-level compilers — covered more comprehensively the methodology set out in the *Guide* for compiling external debt statistics. A second seminar, to be conducted in French, was to be held in October 2002 at the Joint Africa Institute. In 2003, seminars will be conducted at the Joint Regional Training Center for Latin America (in Brazil) and at the IMF-Singapore Regional Training Institute.

11. The Commonwealth Secretariat has conducted regional workshops to provide training in debt recording and management systems in which other Task Force members have participated. The United Nations Conference on Trade and Development organized the Third Interregional Debt Management Conference in December 2001, in which Task Force members also participated. Task Force members regularly share training calendars so that training opportunities can be leveraged to allow agencies to reinforce the efforts of their counterparts to improve external debt statistics.

12. In May 2002, there was a meeting of the Task Force in Washington, D.C., which addressed, inter alia, the issue of whether there was a need to continue the Task Force since work on the *Guide* had been completed. The following are among the main action points arising from the meeting of the Task Force:

- The Task Force will continue to serve as a forum for addressing issues pertaining to external debt statistics.
- One of the Task Force participating agencies will develop a centralized database on external debt statistics based on data compiled by countries, which will complement the joint BIS-IMF-OECD-World Bank statistics on external debt.
- The Task Force will assist IMF in developing, at the country level, improved data for vulnerability assessment. The initiative will identify, inter alia, repositories of information that could be used to make an assessment of data gaps across a broad range of countries.
- The Task Force will continue to develop the joint BIS-IMF-OECD-World Bank statistics on external debt, with particular attention to data on short-term debt.
- The Task Force will assist IMF in the development of a data quality assessment framework for external debt statistics.

Notes

[1] The Task Force is chaired by the International Monetary Fund (IMF) and its recent work has involved representatives of the Bank for International Settlements, the Commonwealth Secretariat, the European Central Bank, Eurostat, IMF, the Organisation for Economic Cooperation and Development, the Paris Club secretariat, the United Nations Conference on Trade and Development and the World Bank.

[2] It should be noted that such data do not provide a completely comprehensive and consistent measure of a country's total external debt.

[3] *External Debt: Definition, Statistical Coverage and Methodology* (Paris, 1988).